

VZCZCXYZ0001  
OO RUEHWEB

DE RUEHLP #0665/01 0861904  
ZNY CCCCC ZZH  
O 261904Z MAR 08  
FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6937  
INFO RUEHAC/AMEMBASSY ASUNCION 7739  
RUEHBO/AMEMBASSY BOGOTA 5095  
RUEHBR/AMEMBASSY BRASILIA 9007  
RUEHBU/AMEMBASSY BUENOS AIRES 6228  
RUEHCV/AMEMBASSY CARACAS 3438  
RUEHGE/AMEMBASSY GEORGETOWN 0659  
RUEHPE/AMEMBASSY LIMA 3664  
RUEHMD/AMEMBASSY MADRID 3949  
RUEHMN/AMEMBASSY MONTEVIDEO 5349  
RUEHPO/AMEMBASSY PARAMARIBO 0339  
RUEHQT/AMEMBASSY QUITO 6062  
RUEHSG/AMEMBASSY SANTIAGO 0696  
RUEHUB/USINT HAVANA 1015  
RHMFISS/HQ USSOUTHCOM MIAMI FL  
RUMIAAA/USCINCSO MIAMI FL  
RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L LA PAZ 000665

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/10/2018  
TAGS: [PGOV](#) [PREL](#) [BL](#)  
SUBJECT: BOLIVIA: "DIALOGUE, WHAT DIALOGUE?"

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

-- -- --  
Summary  
-- -- --

¶1. (C) President Evo Morales announced on March 14 that his Movement Toward Socialism (MAS) party was prepared to talk with the opposition with the presence of the Catholic Church as mediators or, as the Church prefers, facilitators. The opposition responded with a series of conditions )- the restoration of funding cuts and changes to the MAS draft constitution. The government, in turn, argued that it would not attend "preconditioned" talks. Rather than provide the opposition with a confidence-building measure; Morales responded with a decree aimed at the agro-business sector -- a critical component of the opposition's support base. The opposition states it has no confidence that Morales' latest overture is anything more than political theater; a show meant to distract both domestic and international observers from his party's latest round of (February 28) undemocratic actions. It now appears conflict, not the Church, will be the more likely catalyst to force the sides to talk. End Summary

-- -- --  
Morales Agrees to Church Mediation  
-- -- --

¶2. (U) On March 14, shortly following a two-hour meeting with Cardinal Julio Terrazas, President Evo Morales publicly announced that he would ask the Catholic Church to serve as mediator for a national dialogue between his government and the opposition. Terrazas accepted the offer and designated Monsignor Julio Juarez as the Church's lead facilitator. According to members of Morales' MAS, talks were scheduled to begin March 24, but that date passed without any indication that negotiations would start. Cardinal Terrazas' spokesperson Marcial Chupinagua told La Paz daily newspaper La Prensa that neither the government nor the opposition had taken any steps to set an agenda, date, or place for talks.

-- -- --

## Opposition Responds: Thanks But No Thanks

13. (U) The opposition's initial reaction to Morales' call for church mediation was tepid - citing a lack of confidence in the government's overture. The opposition prefects (governors) of Beni, Cochabamba, Pando, Santa Cruz and Tarija all argued that the central government must restore funding to their departments (states) as a prerequisite for talks. (Note: The central government unilaterally reduced its natural gas revenue sharing arrangement with all nine of Bolivia's departments to pay for its new "Renta Dignidad pension program. End Note). The opposition prefects also insisted that the MAS must be open to revising its draft constitution. The leader of the largest opposition party PODEMOS, Jorge "Tuto" Quiroga, argued that the government needs to create a constructive environment for the negotiations to take place, suggesting Morales replace his recent "partisan" appointment to the National Electoral Court (CNE) Jose Luis Exeni as a confidence building measure. The opposition also voiced displeasure with Monsignor Julio Juarez - the Church's proposed facilitator -- whom it alleges is too allied with the MAS.

## Government Rejects Opposition Conditions

14. (U) The government immediately responded to the opposition by stating it would not enter talks with "preconditions." Government spokesperson Alex Contreras summed up the Morales administration's position stating, "if there are conditions on the restarting of dialogue (then) unfortunately there will not be positive results." Responding to the opposition prefects' request that funding cuts be restored, Contreras stated, "for us there does not exist a cut. For us there is a redistribution of economic resources." The government did, however, reiterate that the MAS was open to "revising" its draft constitution. On the other hand, the government came forward with its own pre-condition, the postponement of Santa Cruz's May 4 autonomy referendum. Santa Cruz Prefect and leaders within the Santa Cruz autonomy movement immediately rejected the government's demand arguing that nothing could stop the May 4 referendum.

## Government Adds Cooking Oil to the Fire

15. (SBU) While the opposition was looking for confidence building measures the government responded with yet another decree that has added fuel to the flames of discord. On March 19, the Ministry of Rural Development issued a decree prohibiting the export of cooking oil - a measure that primarily impacts agro-business interests located in Santa Cruz. The government claims the measure is meant to ensure adequate cooking oil supplies for the domestic market, while the Santa Cruz agro-business sector argues that the domestic market represents less than 20 percent of its gross sales. Santa Cruz political and business leaders have denounced the measure as a political weapon meant to dampen their autonomy efforts.

## International Mediators?

16. (C) The European Union (EU) appears to have put on hold its offer to facilitate talks. The EU will also not be issuing a statement regarding the February 28 events in which pro-MAS groups (via threats and assaults) prevented opposition parliamentarians from entering Congress, thus allowing the MAS to pass legislation which the opposition clearly opposed. The British Ambassador noted, however, that the EU has been instructed to demarche the Bolivian government and the opposition to encourage both to

participate in the talks. An EU delegation will be traveling to Santa Cruz March 26 to deliver the message.

¶7. (C) Meanwhile, the Argentine DCM in La Paz told our DCM that Government Vice Minister Hector Arce approached the Argentine government on a recent trip to Buenos Aires to see if Brazil, Argentina and Peru might consider a mediating role. The Argentine DCM was not sure how the Church mediated talks would impact prospects for Brazil, Argentina and Peru's participation. He indicated that the Bolivian government might still turn to the three countries if the Church facilitated talks broke down.

¶8. (C) Meanwhile, the Brazilian Ambassador told Ambassador Goldberg that Vice President Alvaro Garcia Linera had floated the idea of U.S. participation in a "Friends Group." We are following up with Garcia Linera to see what he has in mind.

- - - -  
Comment  
- - - -

¶9. (C) The opposition has long stated the Catholic Church is Bolivia's only impartial domestic mediator. Morales' concession to include the Church in the "national dialogue" should have boosted the opposition's confidence in the MAS' willingness to compromise. However, as he has done repeatedly, Morales has called for talks and reconciliation, while his actions appear to indicate he has other plans. Since calling in the Catholic Church, Morales has continued to denounce the autonomy referenda as illegal -- a position that infuriates the opposition-led low-land departments. The recent cooking oil decree was a clear attack on the agro-business sector -- a group that compromises a critical base of (financial) support to the Santa Cruz opposition. The government has also continued its public campaign in support of the MAS draft constitution. While the government's actions have been less than conciliatory, the opposition has also refused to wave the olive branch. The Church-led talks, if they proceed, will likely yield few if any results. A confrontation resulting in bloodshed is the more likely scenario to push the MAS and the opposition to really sit down at the table and talk. Carlos Dabdoub, Santa Cruz's lead representative on autonomy, perhaps best summarized the current situation after receiving a press question on the state of talks; Dabdoub responded, "Dialogue? What dialogue?" End Comment.  
GOLDBERG